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REPORT OF THE SECRETARY-GENERAL ON THE WORK OF THE ORGANIZATION

IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS

Letter dated 19 November 1997 from the Secretary-General addressed to the President of the General Assembly

Member States are already aware that the question of non-payment of arrears by some Governments of their assessed contributions to the United Nations budget has become an increasingly serious matter. The issue recently has become more acute since, contrary to expectations, the Congress of the United States of America was not able to reach a positive decision with regard to the payment of United States arrears.

Member States are also aware that, in the past few years, shortfalls in the regular budget have been met through borrowing from peacekeeping funds. I consider that this practice cannot become a regular recourse for overcoming budgetary difficulties caused by non-payment of arrears.

I believe that Member States should fully consider the implications of the current situation for the Organization. I therefore would be grateful if the High-level Open-ended Working Group on the Financial Situation of the United Nations could be convened by you for this purpose and to explore options for ensuring timely payment by Member States of their assessments. The Working Group might report on its recommendations before the end of the current session of the General Assembly.

(Signed) Kofi A. ANNAN

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